**Stakeholder workshop**

**Hungary-Croatia Interreg Programme 2021-2027**

Date: 12 April 2021, 10:00

Thematic area: PO1 – ‘a smarter Europe’

Access link (zoom logo) will pop up after registration at <https://cbcjs.pannonegtc.eu/>

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**Discussion:**

**Marina Šandor Krznarić (PORA Koprivnica Križevci county):** Problems regarding B Light:

* trust – needed to enter into cooperation and needs to be built longer; businesses are built for longer time;
* language barrier;
* innovation is a relative term;
* legislative background.

Situation on the field: the agency informed entrepreneurs via email, radio etc., most of entrepreneurs had problems with finding Hungarian partners – the goal is that the entrepreneurs have true interest in the HU partner. EPSF: entrepreneurs were dissatisfied, they expected external assistance, but had to find and pay consultants on their own, or the agencies assisted them.

**Mate Kovač (HAMAG BICRO):** It was a pilot project with a lot of issues regarding implementation. It would be possible to split the application in the next programming period into 2 components. Pre-financing is a bigger problem: 30% of funds for SMEs should be assured for them. Stronger SME have more strengths to endure, while smaller ones not. Every project should have the possibility to choose their own consultants. If the project is assessed positively, the consultancy cost should be acceptable cost. As HAMAG BICRO was the Lead Beneficiary, it should have had more freedom in selecting evaluators. If SME support goes on as an open call, the evaluation process will have to be set up accordingly.

**Tamas Lunk (Pannon EGTC):** In case of this complicated programme it would be smarter to focus on one specific objective: SME cooperation. The administrative burden would double with 2 SOs. The focus should be on business cooperation, not innovation. He would like to share experiences from the Interventures project (Interreg Europe): internationalisation of SMEs. Most relevant experience in this project are the needs of SMEs to be more active in international markets. Diversity of needs could be introduced in this programme. In other regions of Europe there are some examples, successes came from a similar approach, however they were focussed on internationalisation process of the companies and giving them advice and audit their capabilities, weaknesses and strengths related to international presence. Prepare companies to be able to invest and sell their products in international markets. Italian and polish experiences confirm this approach as being a good one. Intermediary organisations should be available and have CDA-s and enterprise foundations; have available funds for their assistance.

**Eszter Halász (ZMVA, Zala county)**: SMEs need assistance in preparing project proposals (primarily) and implementation, perhaps even management assistance. For this they should use external support. Use uniform and clear scoring system during the evaluation system, in both counties, as there different administrative issues between two countries, different sources of information regarding SMEs.

**Maša Tomašić (REDEA, Međimurje)**: SME scheme should remain a strategic project, but problems need to be tackled. SMEs need more prefinancing support. For SMEs 6 months is a too long to get money back, and even this can be delayed. Technical assistance should be left to SMEs. EPSF: it was difficult for one external company to do all the projects at the same time. There should be a budget for consultants. SMEs usually work with consultants and they should be free to chose with whom they will work. Non-profit organisations should have the possibility to be partners, but SMEs should be lead partners. Regarding evaluation, evaluators should also have technical knowledge, a lot of effort was needed to understand what was proposed. It would be better and simpler to implement as one SO, however innovation should be fostered in the next period as well. Regional and local levels should be more informed about the calls, there could be workshops not only how to prepare and implement projects but should also include intellectual property rights. Also, this fix working hours calculation that was applied, should be changed, to more flexible. It is difficult to plan 3-4 years ahead.

**Mate Kovač**: If there would be a general open call, JS would have a huge burden on communicating with the SMEs. This is not even their role. SMEs need to have a contact to call. These companies are not the usual kinds of companies that have experience with projects, raise many practical questions in very short period of time. In the implementation phase there are many problems. Language barrier between project partners represent significant problems. Translators could be used to support SMEs.

**Tímea Kozma (ZMVA, Zala county)**: The pilot B Light project has been a good opportunity for the SMEs, for the official staff as well. It is not an easy project and bears lots of problems. The biggest barrier is the language and finance. Is it not pre-financed and this is often the reason why SMEs stand back in the end. Companies would need more external support. It would be good to see the timeline of the project: more scheduled, predictable and foreseeable, to see the real timeline of the evaluation process. Evaluation took a very long time (more than half a year). Highlight business cooperation more, as it could activate cooperation between the countries more, than joint innovation. It is more realistic and easier path for the SMEs. First, the SMEs do not know each other and is difficult to start a business before they know each other.

**Andrea Kakas (HU-HR JS)**: Selection board meeting took place last week on Thursday, although not official yet, but more than 10 light projects were selected, also a reserve list has been established that can be selected if funds are available. Regarding the whole implementation of the B Light scheme, it is a pilot project and it was started with enthusiasm and the SMEs in the border area were targeted. Lots of problems faced, in the evaluation, in the setup phase of the umbrella project; then problems and challenges were overcome, but there are still problems. The language barrier is a huge one. The proposals were written officially in English, but the light partners are not communicating because they do not speak English. Baranya and Osijek-Baranja are communicating easier because of the Croatian minorities involved in the cooperation. Concerning prefinancing, SMEs could not get prefinancing, still facing problems. Many projects consider application as an opportunity to get funded, but they are not aware about the tasks and rules they are facing. Often in the conditions fulfilment phase they find out that such a project is not easy. Often the whole proposal should be rewritten. The JS often had to intervene on a daily basis, which was not predicted, but to keep up with the programme rules, they have to provide guidance to the SMEs. The present external project management support is not as effective as it was planned to be. Sometimes they cause more problems than help. The whole B Light scheme is full of players. Sometimes the information is lacking or leaking. Concerning nonprofit players, universities are currently undergoing a reform. Those SMEs who are cooperating with the universities are the strong ones, they will be in a better position than those that don’t cooperate. Regarding chambers, their assistance is up to membership.

**Janos Rakonczai (HU-HR JS)**: The process should be simplified, currently there are too many actors. Often counties push their companies, which is normal. Innovation should be included in a way, through extra points. Cooperation is better in projects where there is innovation as well. They have also a better chance for longer term cooperation. Management service for the B Light project should be given by a service provider with whom they create trustful relationship. He would not support the involvement of non-profit bodies. Pre-financing is a national issue.

**Andrea Kakas**: Evaluation round took much longer than expected. They had to change the documents of the project scheme and the JS had to step into the evaluation, which was not predicted at the start of the scheme. Proposes to give evaluation to independent evaluation experts that have also the technical knowledge.

**Marina Šandor Krznarić**:B Light should stay only for SMEs. Cooperation is much more important than innovation.

**Zoltan Pamer** **(Logframe Ltd.)**: External support facility is very important as it is an opportunity for the non-profits to get involved. Also, the JS would get rid of the burden of promotion and networking, as it would be done by this support facility. In this case also the JS may give evaluation to externals, then there would be no conflict of interest.

**Márton Szűcs dr. (HU-HR JS)**: The implementation system will be a hard topic. Project generation and evaluation task should be divided. Prefinancing is not possible. They would prefer to let the two-step process go, this is against speeding up. They would prefer the one-step procedure.

**György Márton (Logframe Ltd.)**: Complementary of the CBC programme is an important issue. In Hungary new calls will be opened with pre-financing possibility, 70-100% reimbursable grant, which is transformed later to non-reimbursable 5-6 years later. Bureaucracy in CBC B Light is much higher than in mainstream programmes.

**Janos Rakonczai**: The programme has a very small amount for prefinancing. Real pre-financing may be provided by the individual countries, they give it on basis of different beneficiary groups. SMEs usually do not get it, due to high risk. State-owned companies, universities or local governments may get it easier. Introducing guarantees or collection would not be cost-effective in such a small scheme.

**Mate Kovač**: In communication with the EC they propose a 40% pre-financing in national programmes. In Interreg the selection process is twice as long than national programmes. B Light should be made more attractive. SMEs would need some minimal pre-financing to start the project, 20-25% would be enough.

**György Márton**: conclusions:

* B Light provided challenging issues for SMEs;
* Areas of interventions: to be decided one or two SOs, focus on innovation, but even more important is business cooperation in some points;
* SMEs face problems regarding building trust, language barriers, administrative differences;
* Tackle innovation maybe through a different scoring system;
* Important reflections regarding strategic projects or restrictive call;
* Supporting or TA for project generation: more effective system should be made than EPSF presently;
* Management: evaluation system should be reformulated/finetuned, external professional evaluators are needed with technical knowledge: pool of experts (especially regarding innovation projects);
* How to score promote innovation if there is one SO for business cooperation;
* Structure: no need for EPSF, management should be left for SMEs; should have budget for external management support could be more effective;
* National co-financing could be possible, but mutual consent should be reached;
* Inclusion of non-profit organisations: main focus should be on SMEs. Their involvement should be limited to R&D activities.